con. The author's acquaintance with accounting theory, however, is evidently not equalled by his knowledge of economic theory, else why say: "In a natural state, water may be obtained without effort; hence it has no utility"?

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Cost Accounting and Burden Application. By CLINTON H. SCOVELL. (New York: D. Appleton and Company. 1916. Pp. xx, 297, 13. $2.00.)

In his introduction the author states that the purpose of his book is "to examine the elements of cost, and to define principles and describe methods of procedure in the development of a cost accounting practice, particularly in respect to the determination of overhead charges or burden." He has kept to his text throughout and has made a very valuable addition to the literature on the subject.

The book naturally falls into six divisions: introduction (ch. 1), cost accounting (chs. 2-4), burden (chs. 5-13), budget system and statements (chs. 14-15), costs of specific industries (chs. 16-19), and summary (ch. 20 and appendix). Chapters 2, 3, and 4 contain practically all of the cost accounting except that which is concerned with burden and this part of the book may be considered with chapter 1 as introductory to the burden application which takes up the far greater part. In the introduction the author might have added to the clearness by making one assumption at a time and disposing of that before proceeding to another one. This, however, is not a very serious objection as it appears only in the introduction. That part dealing with burden application is well written and logically arranged.

The author is ever mindful that a cost accounting system for every business, and for different plants in the same business, must be modified to suit the particular business and plant. Therefore he does not attempt to lay down any fixed rules as to details, but has simply separated cost and burden into their elements and considered these elements in their relation to each other and to the business as a whole. This makes unnecessary the inclusion of a mass of forms, such as one usually finds in a book on cost accounting. The suggestions as to the methods of procedure will be found of much value to either cost accountant or manager, but they do not leave one with the impression that the suggested way is the only way.

Probably the most important thing in the whole book, certainly the one about which there has been least written, is what the author calls "unearned burden." It is the logical outcome of his attempt, as expressed elsewhere, of "determining the cost of doing something, doing something else or doing nothing." He means by that to analyze the burden in such a way that the part that is due to unused capacity for manufacturing may be kept separate from that due to used capacity, and, thereby, show more clearly the effect of varying volumes of business, and help in determining manufacturing and selling policies. The reasons and arguments advanced to support the theory are logical and convincing, but whether one agrees or not as to the desirability and necessity of so separating earned and unearned burden, a careful reading of the discussion will be well worth while to executives as well as cost accountants for the suggestions that it contains.

Another subject vitally connected with the unearned burden theory is that of interest charged to cost, which is discussed at some length. The author takes the stand that interest on the investment at a fair rate is a proper charge to manufacturing costs. He gives a number of good reasons, from the standpoint of the cost accountants and managers, why such a charge should be included in manufacturing cost, and then he meets the objections raised against it. In the appendix is included the expressions of the best authorities on economic theories on the subject both for and against. The defense of the principle is well executed, and if one accepts the principle of separating earned from unearned burden, a charge of interest on investment against manufacturing costs must follow as a natural result.

That section of the book which deals with specific industries does not add very materially to the value of the book as a whole. Lack of space has made it necessary to treat each industry in a very hasty way, with the result that a great many of the problems to be solved are not even mentioned. Its chief usefulness lies in the fact that it repeats and emphasizes the principles laid down in the first part, and suggests how those principles may be applied to various specific industries.

The last chapter, which deals with the relation of the cost department to the factory organizations, emphasizes the need for a closer relation between the general accounting and the cost department. This is a point that cannot receive too great emphasis. If these two organizations are allowed to work independently of

each other the result will be that the management will be likely to receive two conflicting reports, and instead of their checking each other they will serve merely to confuse.

The work is a valuable contribution to the literature on the subject of cost accounting, and comes at a very opportune time, when managers everywhere are giving more thought than ever before to obtaining accurate and reliable cost data. It is to be recommended to managers, accountants, and students of cost accounting, chiefly for the fundamental principles discussed, and the very great number of suggestions offered.

M. M. FitzHugh.

Newport News, Virginia.

Retail Selling. A Guide to the Best Modern Practice. By James W. Fisk. (New York: Harper and Brothers. 1916. Pp. 335. $1.00.)

The Science and Art of Salesmanship. By Simon Robert Hoover. (New York: The Macmillan Company. 1916. Pp. xviii, 193. 75 cents.)

Fundamentals of Salesmanship. By Norris A. Brisco. (New York: D. Appleton and Company. 1916. Pp. xiv, 322. $1.50.)

Mercantile and producing concerns are increasingly adopting pedagogical methods in building up the business efficiency of their employees, and our educational institutions are providing more facilities for vocational training. The sales end of a business is the most important end; the size of the market dictates the scale and manner of production; the policy of the house is directed to getting and maintaining customers' good-will; "the richest rewards of business are in salesmanship rather than in the office end." It is, however, the end which until recently has received least attention; the present interest is proved by the fact that three of our largest publishing houses in 1916 brought out the above texts.

These three texts have a representative authorship. Mr. Fisk is director of the selling service of a distinguished New York store and was formerly director of courses in retail selling and advertising in *Dry-Goods Economist's* training school. Mr. Hoover is assistant principal of the High School of Commerce of Cleveland and his book is "the result of a process of development extending through several years of class instruction and close association